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ABSTRACT

The private-sector provision of school infrastructure in the form of satellite schools is discussed in this paper. Following the introduction, section 2 presents a case study of Satellite Learning Centers in Dade County, Florida, in which the schools operate as public schools on business worksites. The host-business, American Bankers Insurance Group (ABIG) contributes land, building space, and some operating expenses; the school district supplies the rest--teachers, supplies, curriculum, and administration. Benefits include the savings of millions of dollars in public school infrastructure and transportation costs, increased student performance and attendance, improved student/parent/teacher interaction, decreased absenteeism among working parents, and greater teacher career advancement opportunities. Section 3 describes the Hidden Valley Satellite School, a partnership between Hewlett-Packard Co. and the Santa Rosa City School District. The fourth section outlines potential benefits of satellite schools, which offer a solution to school overcrowding at a minimal cost relative to other options. An obstacle is the Field Act, California's seismic-safety standards code that prevents satellite schools from occupying existing office buildings. Recommendations are made for school districts, business partners, and the California State Government. Two tables are included. Appendices contain the ABIG-Dade County contract, various projections and program descriptions, and the Hidden Valley contract. (Contains 46 references.) (LMI)

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SATELLITE SCHOOLS: THE PRIVATE PROVISION OF SCHOOL INFRASTRUCTURE

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by
Janet R. Beales

Executive Summary

Between now and the year 2000, enrollment in California's K-12 public schools is projected to grow by over 240,000 students on average each year—from 5.2 to 7.2 million students. To meet that demand, the state Department of Education estimates it will need $17 billion over the next five years for school construction and building modernization alone.

The private sector can help by providing school infrastructure in the form of satellite schools. Satellite schools—developed five years ago in Dade County, Florida—operate as public schools on business worksites. The host-business contributes land, building space, and some operating expenses. The school district supplies everything else—teachers, supplies, curriculum, and administration. Daycare services extend the school day to meet the needs of working parents.

Satellite schools in Dade County have saved the public millions of dollars in school infrastructure and transportation costs. Other benefits include increased academic performance and attendance among students, and increased interaction between parent, child and teacher. Business partners hosting satellite schools claim absenteeism and turnover have dropped among parents with children enrolled in the worksite schools. Satellite schools also provide career advancement opportunities for teachers which is one reason Dade County's 20,000 strong teachers' union endorses the idea.

In early 1993, California's first school of this type will open on the premises of the Hewlett-Packard Corporation in partnership with the Santa Rosa City School District. California's rigorous seismic safety standards, known as the Field Act, prevent satellite schools from occupying existing office buildings. Meanwhile, vacancy rates average 17 percent for office and commercial space in California's major cities where school overcrowding is often the worst.

Satellite schools offer a readily available solution to school overcrowding at minimal cost relative to other options. To facilitate their increase, the state should provide tax credits to businesses who sponsor satellite schools, streamline Title 24 building codes (the Field Act) with the Uniform Building Codes (UBC), and expedite approval of satellite schools at the state and local levels.

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I. INTRODUCTION

Much has been said about the shortcomings of America's public schools. Average scores on the Scholastic Aptitude Test (SAT) have dropped nearly 60 points over the past two decades.[1] In an international test of 13-year-old children, American students ranked behind 15 other countries in math scores.[2] Nearly four million of our young people have dropped out of school.[3] Among those who do graduate each year, 700,000 are functionally illiterate.[4]

But it is those very conditions that have seeded some of the most innovative and effective reforms in public education. Across the nation, states and school districts, faced with the problem of meeting growing demands on public education with limited resources, have implemented new ways of making a better education available to ever greater numbers of students. In Minnesota, state-wide public-school choice lets students choose which public school to attend. In Vermont and Wisconsin, vouchers are available to some students to use at private schools. Charter schools in Minnesota and California free teachers from the bureaucracies which constrain their energy and talent. Alternative certification in New Jersey taps the expertise of a new source of teachers, allowing professionals who lack a teacher's certificate to bring their industry knowledge and career experience into the classroom.

Similarly, new roles are evolving for businesses in partnership with the schools. One of the most intuitive approaches to pairing private businesses with public schools is the Satellite Learning Center (SLC) program in Dade County, Florida in which public elementary schools are located on business worksites. The business partner provides the school facilities and the school district supplies the teachers, curriculum, materials, and management. Savings to taxpayers and the Dade County school district amounted to $1.9 million in construction costs alone during the first three years of the program.[5] Since its creation in 1987, the program has been adopted by four businesses in Dade County, and the idea has been replicated by districts in Minnesota, New York, Colorado and California.

II. A CASE STUDY OF SATELLITE LEARNING CENTERS IN DADE COUNTY, FLORIDA

A. Background

The impetus for Satellite Learning Centers came from Dade County's then-superintendent Joseph Fernandez, who recognized that creative solutions were needed to relieve overcrowding in the district's schools. After presenting the idea of worksite schools to members of the business community, Superintendent Fernandez's request for corporate participation was fulfilled by American Bankers Insurance Group (ABIG). Together with the United Teachers of Dade County, the three organizations set about creating the nation's first Satellite Learning Center (SLC), which opened its doors to 25 kindergarten students in 1987. (See Appendix I for contract). Since that time, first and second grades have been added to the school at the ABIG, and the program has been replicated by three other organizations within Dade County—the Miami International Airport, the Miami-Dade Community College, and Mt. Sinai Hospital in Miami Beach, Florida. Two more SLCs are planned for hospitals in Dade County.

Today, approximately 275 public school children are enrolled in the SLCs. The SLCs serve the children of the employees, or the children of college students in the case of the Miami-Dade Community College, exclusively. At the Miami International Airport, employees of the airport itself, and on-site employees of businesses that serve the airport—for example, car rental agencies or food service concessionaires—are eligible to enroll their children in the SLC.

When the airport's SLC was created, existing space within the building was dedicated to the school. The hospital and college brought in portable classrooms for their SLCs. Portables were initially used at American Bankers Insurance Group until the company built a permanent building to house the school.

B. Cost Sharing

The business partner typically contributes the classroom and playground space, and may also provide maintenance, utilities and security for the worksite school. The school district provides teachers, administrators, materials, curriculum and management.

In the 1991-1992 school year, operating expenses paid for by ABIG were as follows:

Utilities	$16,000
Grounds Maintenance . . .	$6,000
Janitorial	$6,000
Building Maintenance . . .	$12,000
Corporate Insurance	$2,700
Furniture	$5,600
Total	**$48,300**

Spending allocations for SLCs follow the same procedure as regular public schools. In Florida, state money is allocated based on the number of "Full Time Equivalent" (FTE) students attending a particular school. (This is similar to California's "Average Daily Attendance" or ADA classification). Just as with regular public schools, SLCs increase their revenues with every child enrolled.

ABIG and the Miami-Dade Community College share the cost of liability insurance with their SLCs. At Mt. Sinai Hospital, the cost is carried entirely by the school district. In every case, the businesses provide after-school child care charging parents a nominal fee for the service.

C. Organization

At the center of each SLC is a single "lead teacher," a position representing a significant upgrade in the professional status of teachers. These individuals have multiple responsibilities—teaching, supervising and administering the SLC on site, managing other SLC teachers and staff, and promoting the SLC to parents, employers, and the community. Qualification standards for lead teachers are higher than for a regular teacher. Lead teachers generally have extensive teaching experience, a master's degree and management aptitude. They are selected by a panel that includes representatives from the school district, the teacher's union, and the business partner. Lead teachers earn a supplement equivalent to one eighth of their annual base salary.[6]

Each SLC affiliates with a "host school," the nearest public school serving the same grades as the SLC. Although the lead teacher acts as the on-site supervisor at the SLC, the principal at the host school oversees the SLC. Services provided by the host school include administration, financial budgeting, and school lunches. In addition, the SLC looks to the host school for the provision of special programs or events. For example, children enrolled at the SLC may be brought to the host school to participate in holiday programs. Alternatively, music teachers, art teachers, physical education teachers, counselors, and nurses who either serve the host school or the district may make regular visits to the SLC to provide their services to the SLC students as part of the district's regular curriculum.

D. Educational Benefits

A compelling reason for satellite schools is the advantages they provide to the child. According to Mildred Smith, lead teacher at the Miami International Airport's SLC and a thirty-year veteran of public education, children receive more attention and support at the SLC than in a regular public school. Proximity of the workplace to the classroom enables children to have more time to interact with their parents during the morning commute together and throughout the day, for example, during the lunch hour or when parent volunteers assist in the classroom. Interaction between parent and teacher is also enhanced because parents must physically enter the school twice each day to sign their child in and out of class. Mildred Smith reports, "Here, everyone is involved. The children know that everyone is working for them. If more children had this kind of situation in their early years, they would get much more out of going to

school."[7]

If test scores are any indication, the children at SLCs really do get more out of school. A 1991 study conducted by the Dade County School District found academic performance to be higher than the district and national average among the 72 students attending the SLC located at American Bankers Insurance Group (ABIG).[8] Results from the Stanford Achievement Test, administered to grades K-2, show that the SLC students consistently ranked higher in reading, math, and science skills across all grade levels. Table 1 shows test scores by grade level and across three comparative groups: SLC students, students who attend regular Dade County public schools, and the national public school population. No adjustments were made for possible socioeconomic differences between the groups compared.

Table 1

Mean Stanford Scores of SLC Students by Grade;
Presented as Normative Percentiles and Compared With
Dade County Public Schools' Mean Stanford Scores

	Grade K		Grade 1		Grade 2	
	SLC	DCPS	**SLC**	DCPS	**SLC**	DCPS
Total Reading	**84**	63	**74**	48	**88**	39
Total Math	**65**	50	**52**	50	**74**	57
Environment	**56**	40	**58**	46	**58**	45

Note: National average scores are scaled to the 50th percentile.
Source: Dade County Public Schools

School attendance was also higher at the SLC at ABIG compared to the district average. Students attending regular public schools missed an average of 10.46 days. By comparison, SLC students missed fewer days of school averaging 8.46 absences.[9]

E. Taxpayers Benefit

Because businesses assume the financial burden of providing school facilities, ultimately the taxpayer is spared the cost of building new infrastructure. In 1990, the only year for which figures are available, the school district estimated that the three SLCs in operation at that time had saved the county $1.9 million in construction costs alone.[10] This does not include the tens of thousands of dollars saved each year on utilities, maintenance, security, and landscaping. (See Table 2 for operating expenses paid by ABIG.) Between 1987 and 1990, the SLC located at ABIG saved the district over a million dollars, according to the school district, because

expenditures on building construction and some operating expenses where paid for by ABIG.[11]

In addition, busing costs are eliminated because children share the commute with their parents to the worksite school. As of 1990, the district spent $1400 a year on each child it bused to school. Approximately 17 percent of Dade County school children are bused.[12] Applying these measures to students enrolled at SLCs, the district saves $65,000 on busing.[13]

These cost savings sprang from the fact that Dade County faced an overcrowded school system. SLCs relieved some of that pressure by providing "free" infrastructure. Although teachers had to be hired for the satellite schools, they would have been hired in the absence of SLCs to keep pace with enrollment growth.

If on the other hand, SLCs are established in areas that do not have problems with overcrowding, the benefits to the community at large are not as great, and the SLC could actually end up increasing costs to the state and the taxpayer. Even though the school building may be "free," the teachers, staff, furniture and supplies needed to fill it are not. If the students enrolled at an SLC come from an underenrolled district, the presence of the SLC will increase fixed costs without increasing revenues to the district(s).

There may be other good reasons for establishing an SLC under conditions of underenrollment that outweigh the additional costs imposed on districts or the state. Desegregating classrooms, increasing parental involvement, facilitating daycare logistics, improving the classroom surroundings, or better serving student and parent needs are all reasons that an SLC might be a good investment even when overcrowding or dilapidated facilities are not a problem. However, SLCs are most cost-effective when they alleviate the need for new construction.

F. Teachers' Unions Benefit

The teachers' union in Dade County is a strong supporter of SLCs. The United Teachers of Dade County (UTD), representing 20,000 teachers, was a full partner in the effort to initiate and implement the program. Union leaders joined with their counterparts in the school district and business community to promote the idea to business and community groups. The union participated in designing the program and continues to be involved in selecting lead teachers to staff the SLCs. The position of lead teacher is one that offers more administrative and decision-making authority, greater supervisory responsibility, and more teacher autonomy. Lead teacher supplements, amounting to one eighth of annual base salary, reflect the more advanced professional status of lead teachers.

G. Classroom Diversity

Desegregation was one of the hoped-for consequences of worksite schools. Ethnic and socioeconomic diversity in the classroom have resulted from taking students out of segregated neighborhoods and educating them at the workplace. Table 2 shows the ethnic diversity within each SLC. Merri Mann, Assistant Director in the Department of Professionalization for Dade

County's teachers' union, states that the SLCs cut across all socioeconomic distinctions, races, and religions, "serving the children of custodians and the children of presidents." While classroom diversity is apparent now, many people voiced concern during the planning process that the schools would be elitist institutions serving the affluent, white children of professionals. SLC organizers met with parents, individual teachers, and community members to address these initial concerns.

Table 2

Dade County Satellite Schools: Summary

	CUTLER RIDGE SATELLITE SCHOOL	MIAMI SPRINGS SATELLITE SCHOOL	BUNCH PARK SATELLITE SCHOOL	NORTH BEACH SATELLITE SCHOOL
HOST SCHOOL	Cutler Ridge Elementary	Miami Springs Elementary	Bunch Park Elementary	North Beach Elementary
HOST BUSINESS	American Bankers Insurance Group	Miami International Airport	Miami Dade Community College	Mt. Sinai Medical Center
ESTABLISHED	1987	1988	1989	1992
ENROLLMENT	90	70	75	60
GRADES	K-2	K-2	K-2	K-1 (K-2 beg. 93)
STUDENT COMPOSITION	65% White 20% Latino 14% Afro-American 1% Other	43% White 33% Latino 23% Afro-American 1% Other	35% White 20% Latino 40% Afro-American 5% Other	Not Available

Source: Reason Foundation

H. Parents Benefit

Just as attendance rates are higher for students at SLCs, they are also higher among parent employees with children enrolled in the SLCs. In a survey of parents, done as part of Dade County's 1991 evaluation of the SLC at ABIG, parents self-reported being less absent, more satisfied with their jobs, and more likely to remain at ABIG.[14] Responses by supervisors confirming lower absenteeism and turnover rates are reported below.

Moreover, parents responded that the SLC program has had a positive impact on their lifestyle. Over 90 percent of the 55 parents surveyed claimed to be more involved with their child's education, more likely to volunteer in the classroom, and better able to communicate with their child during the work week. Nearly all parents said that they spent less time driving during the week because of the SLC program, and most claimed the program had saved them money.[15]

I. Businesses Benefit

In every instance, the SLCs were ultimately brought on site because they fulfilled a need of the business partner. Because SLCs evolve freely under market conditions, a partnership arises when the business perceives that the potential benefits outweigh the projected costs. At ABIG, the only business for which valuative data is available, turnover has declined 9.5 percent and absenteeism has fallen 30 percent among parents with children enrolled in the worksite classrooms. In a survey of parent-employees, 98 percent claimed that having their child attend the SLC helped them concentrate more on their work. When supervisors were asked to rate the productivity of parent-employees compared to their peers, 70 percent of the 60 parent-employees evaluated were rated "above-average" when compared to their co-workers.[16]

Said a spokesperson for ABIG, "The SLC has enhanced the corporate climate, adding another benefit to the list that ABIG offers its employees. It...has added to employee satisfaction. The overall opinion is that productivity and morale are increased because of the peace of mind parents enjoy."[17]

Recognizing the contribution businesses made to the education community with their SLC sponsorship, the Florida legislature passed a state statute in 1990 to encourage more such cooperation between businesses and schools. One of its provisions is a local ad valorem tax exemption for companies which establish satellite learning centers. The exemption grants relief from local property taxes (Florida does not have a state ad valorem tax on property) assessed against the business's property dedicated to the school. (See Appendix II-A.)

J. Lessons Learned

A 1990 evaluation concluded that "limitations of the SLC at ABIG are virtually non-existent." The report went on, however, to point to some stumbling blocks encountered early on in the program but which have since been redressed. Problems were encountered because of the practice of combining two grade levels under one teacher (since eliminated), disruptive media attention, and the fuzzy job description of the lead teacher, which failed to delineate responsibilities and authority between the lead teacher position and that of regular teachers at the SLC.

In three of the four cases, a daycare center preceded the advent of the satellite school. While a longstanding daycare program is not a necessary prerequisite to satellites, on-site daycare does indicate a company's willingness to accommodate the needs of working parents. Established daycare centers may also ease the transition to providing classroom instruction at the worksite.

Epilogue

In late August 1992, Hurricane Andrew struck south Dade County inflicting billions of dollars worth of damage. One of many buildings destroyed belonged to the American Bankers Insurance Group, host to the very first SLC in the Cutler Ridge area of Dade County. Although ABIG's business offices were demolished, the satellite school, housed in a separate building on the grounds of ABIG, survived. When the other public schools in Dade County opened for the school year after a two-week delay, the SLC at ABIG was also opened for school.

Logistics have changed for the interim period while office construction is underway. Parents still bring their children to the SLC for the day, but instead of walking to the office on site, they ride a shuttle bus downtown to the temporary location.

Some parents have opted not to enroll their children in the SLC until business is back to normal. Instead, these children attend the SLC's host-school, Cutler Ridge Elementary.

III. THE HIDDEN VALLEY SATELLITE SCHOOL IN CALIFORNIA

A public-private partnership between Hewlett-Packard Company and the Santa Rosa City School District

A. Background

In school year 1993, Hewlett-Packard Company in partnership with the Santa Rosa City School District became California's first public school of its kind located on a private worksite. Like the satellite schools in Dade County, the initiative for the school came from the school district superintendent, Lew Alsobrook, who approached Hewlett-Packard with the idea two years ago. In January 1993, the school was scheduled to open its doors to approximately 60 public school children in kindergarten and first grade. Between September 1992 and January 1993, students enrolled at the satellite school were to attend the nearby Hidden Valley Elementary School. Once construction at the worksite school was completed, these students were to transfer over to the classrooms at Hewlett Packard to become the Hidden Valley Satellite School. Acting as the host school, the Hidden Valley Elementary School provides administrative and supervisory support to the satellite. (See Appendix II-B for site plan.)

B. Cost Sharing

Under the terms of the agreement (see Appendix III for contract), Hewlett-Packard is leasing the 2.6 acres of land to the district for $1 a year with a ten-year renewable lease. Hewlett-Packard's other major contribution to the project is site preparation. This included relocating gas and electrical lines, landscaping, grading, constructing playground areas, installing lighting, and paving a driveway and parking lot. Site preparation and its attendant costs totaled over $400,000 for Hewlett-Packard.[18] In addition, Hewlett-Packard approved an $89,000 grant for the Santa Rosa City School District to help the district defray start-up costs associated with the new school.[19]

The school district is supplying two portable buildings to house the students, playground equipment, and school furnishings. Except for grounds maintenance, the district pays all operating costs. These include teacher's salaries, utilities, maintenance, and school supplies. In the future, the district will add more portable buildings to provide classroom space for second and third graders.

The school district expects to generate additional Average Daily Attendance (ADA) revenues from students attending the worksite school who ordinarily would be enrolled in schools outside the district in the communities where they live. As of September 1, nearly half of the students scheduled to enroll at the worksite school were from outside the district's boundaries.[20] Total (ADA) revenues for all students enrolled at the worksite school combined with revenues from the school district-administered daycare program—which charges parents between $147 and $284 per student per month—were expected to cover the school's annual operating expenses.[21] (See Appendix II-C for budget projections.)

First priority for enrollment at the school was given to children of Hewlett-Packard's 2200 employees at the company's Fountaingrove site in Santa Rosa where the school is located. Depending on space availability the school would next be open to any child who lives within Santa Rosa City District's boundaries.

C. Political, Legal and Financial Obstacles

Because the worksite school does give first priority to children of Hewlett-Packard employees, there was some initial concern among the community and local government that the school would be an "elitist" institution. Lew Alsobrook and representatives from Hewlett-Packard addressed that concern through a series of meetings with community members, elected representatives, educators, and parents. Like the SLCs in Dade County, the school at Hewlett-Packard includes children of upper management and children of blue collar workers. According to Lew Alsobrook, the workforce at HP is racially more diverse than the school district as a whole. By extension, classrooms at the worksite school would reflect the heterogeneity of HP employees. Although concerns about elitism abated the more the proposal was discussed, it remained a sticking point for one member of the city council who cast her vote against the proposal because of that perception.[22]

The city council was the biggest obstacle to the approval of rezoning for the worksite school. In addition to equal access concerns, some officials objected to the idea because of its potential negative environmental impact. Initially, two members of the council wanted Hewlett-Packard or the district to purchase an easement and make drainage improvements to mitigate the potential for problems resulting from rainwater runoff. The cost of this action would have been $90,000; both Hewlett-Packard and the district said they would not proceed if they were made to bear the additional expense.[23] Despite testimony from a soils expert that the development would not exacerbate runoff problems, the city council ultimately decided to purchase the easement on their own at a cost to the city of $45,000.[24] Even so, one member of the council voted against the school proposal for environmental impact reasons.[25] Approval for the rezoning came with a three to two vote by the city council. The site was also subdivided and granted a conditional use permit.

At the state level, the proposal had to meet Department of Education standards and undergo review by the Office of the State Architect (OSA), which evaluates public-school proposals for seismic safety as required by the Field Act. (The Field Act will be discussed in greater detail later in this report.) Use of Field Act-approved portable buildings simplified the compliance process at OSA.

The California Department of Education evaluated the proposal and site drawings for design, size, and site selection characteristics. The Education Department considers factors such as traffic flow patterns, playfield acreage, the proximity of hazardous substances, and classroom space requirements. Certain types of schools, such as those located in crowded urban areas, are exempted from some Department of Education guidelines. Until recently, both the Education Code and the California Code of Regulations required that the State Department of Education

review and approve all new school sites and additions, regardless of the funding source.[26] However, legislation in effect since January 1992 (AB 1603) now permits districts to bypass Department of Education review if the school infrastructure project is financed completely with local money. State level requirements did not pose a major barrier to the satellite school. Review by the two agencies took approximately four months to complete.

D. Employee Support for a Satellite School at Hewlett-Packard.

Enthusiasm for the worksite school ran high among parent employees at Hewlett-Packard. When the local school board held a meeting to review the proposed worksite school, nearly a dozen employees testified before the board about its potential benefits. Among the most common comments were the following reprinted from Hewlett-Packard's employee newsletter, *Update*.[27]

- The educational experience at an HP worksite school would be culturally enriching due to the great diversity of the company's workforce;
- A worksite school would simplify life for dual-income and single-parent families;
- The proximity of a worksite school would make it easier for parents to get involved in their children's education;
- With before- and after-school day care, there would be fewer drop-offs and pick-ups, thus easing local traffic congestion;
- The Fountaingrove (HP) worksite school could be studied and possibly copied by other companies or organizations.

IV. OPPORTUNITIES FOR CALIFORNIA'S CHILDREN

Between 1992 and the year 2000, approximately 240,000 new students each year will be added to California's public schools.[28] Projected construction costs for the next five years alone are estimated to be $17 billion, according to the California Department of Education.[29] Other agencies have put the cost of building new schools and classrooms as high as $33 billion over the next decade.[30] In Los Angeles alone, the need for new school infrastructure totals $3 billion over the next decade.[31]

County by county, the projected increase in enrollment by the year 2000 from 1990 levels is 93 percent in San Bernardino County, 50 percent in Sacramento, 40 percent in Los Angeles, and 33 percent in Alameda. The median increase in enrollment of all counties in California is 41 percent.[32] (See Appendix II-D)

Even without the expected growth in enrollment, many classrooms today are overcrowded or dilapidated. The passage of Proposition 152 in June 1992 provided $1.9 billion in bond money for public school construction—barely enough to dent the backlog for new construction and modernization projects, which at that time measured $6 billion, according to the Office of Local Assistance.[33]

Potential Benefits of Satellite Schools

Satellite schools may be one way to simultaneously reduce pressure in overcrowded classrooms and ease the financial burden on state and local governments. Such a program offers several advantages to local communities, businesses, the school district, and the state.

- **Local tax relief.** When businesses provide school facilities that otherwise would have been developed by the district, local communities are saved the expense of financing school infrastructure through bond issues and property tax increases.

- **Decrease school busing.** Each year, California public schools spend $468 million to bus children to and from school.[34] Because children carpool with their parents to the satellite schools, home to school busing costs are eliminated.

- **Other savings.** In the Florida examples, some operating expenses were assumed by the business partner, relieving the schools of these costs. Less money spent on operations—for utilities, maintenance, landscaping, etc.—could mean more money for classroom instruction or tax relief.

- **Local funding, local control.** Getting local businesses to provide school infrastructure enables school districts to retain local control of infrastructure development. Since no state funding is involved, review by the Office of Local Assistance and the Department of Education can be bypassed by the school district in planning its new site.

- **Meeting enrollment growth on limited funds.** In California, Proposition 13 limits the amount by which local governments can raise property taxes, a key source of school infrastructure revenues. School districts which have exhausted this means of financing yet are pressed for classroom space, may find relief in satellite schools.

- **Time savings.** The procedure for building a new school in California with state funds involves following 63 steps outlined by the OLA, filing 82 documents, and coordinating with four different agencies. From planning to building, the whole process can take six years to complete, according to a report by the Little Hoover Commission.[35] Compare this to the SLC at Mt. Sinai in Florida, which became operational in less than five months.[36] The prototype satellite school at Hewlett-Packard took under two years to establish and should the idea take hold, planning and construction times could drop in the future.

- **Flexibility.** Enrollment, like the demographic patterns they emulate, follows boom and bust cycles. When baby-boomers graduated, attrition in the public schools forced the closure of many schools built to accommodate them. Satellite schools, because they can be housed in portable buildings and because they are located in commercial zones on property already owned by the private sector, can more easily be converted to other uses when demographics change. Similarly, because they take less time to establish, satellite schools can be more responsive to surges in enrollment.

- **Desegregation.** According to a report issued by the Golden State Center for Policy Studies, the state spent half a billion dollars on desegregation programs in 1990–91, for items such as busing, magnet schools, and salary supplements for teachers in segregated areas.[37] While neighborhoods are often segregated, workplaces frequently are not. Satellite schools could foster more diversity in the classroom at less cost.

- **Reducing Vacancy Rates.** Satellite classrooms could *potentially* be established in vacant commercial office buildings. In 1992, vacancy rates were 17 percent on average for the state's major metropolitan centers.[38] Satellite schools in urban areas could relieve overcrowding where it is most pressing and where the cost of building new school facilities is most expensive. This is an option for private schools. However, locating *public* school classrooms in existing commercial space is not legally feasible at this time because of the Field Act. A proposal for a Field Act equivalency standard was introduced into the California Legislature in 1992 by Assembly Speaker Willie Brown.

- **Strengthening ties between the business and education communities.** Satellite schools strengthen the natural linkages between businesses, who hire graduates, and the schools, who educate them. For businesses, satellite schools offer an opportunity to assume a central role in the education process and to witness the results of their investment in the schools first hand. Schools gain both financially and substantively from the relationship. Several educators in Florida remarked that the proximity of the

worksite, and working parents, enhanced the children's understanding of careers and business operations.

- **Professionalization of teaching.** Satellite schools offer advancement opportunities for teachers. The position of lead teacher combines conventional teaching duties with supervisory and managerial responsibilities. In Dade County, the teachers' union is an active partner in establishing and fostering satellite schools. The California Teachers' Association (CTA) has not taken a position on satellite schools.[39]

- **Enhance the educational experience.** Opportunities for parental involvement in the schools are broadened in a satellite school. Parents have reported having more time to interact with their children on the way to and from school and during lunch hours. Teachers have commented that parent involvement is higher at satellite schools than in traditional school settings.

- **Improve employee performance.** Qualitative and quantitative evidence shows that productivity, as indicated by job satisfaction, absenteeism and turnover rates, among parent employees may actually increase when a satellite school is brought on-site.

- **Child care.** Satellite schools fill a need of working parents by offering after-school child care.

V. OBSTACLES TO SATELLITE SCHOOLS

There is no prohibition against satellite schools in California. In fact, tacit support for the satellite school idea among government officials is widespread. Enthusiasm for satellite schools has been expressed by individuals in the Department of Education and the Office of Local Assistance. Enabling legislation has been introduced by state Speaker of the Assembly Willie Brown. There are, however, significant legal and other obstacles that can reduce the efficiency and effectiveness of a satellite-school program in California.

A. The Field Act

By far the biggest impediment to worksite schools is the Field Act and its code equivalent, Title 24 of the California Code of Regulations. The mandate of Field Act legislation, passed in 1933 shortly after an earthquake destroyed several public schools in Long Beach, is to ensure earthquake safety for children attending public schools. It does so with a multitude of structural and inspection standards regulating public school site selection and construction. The Office of the State Architect is the state governing body that ensures that plans for new buildings and modifications to existing sites conform to Field Act standards.

Field Act standards are more stringent than Uniform Building Code (UBC) standards, although in recent years as both codes have undergone revisions that gap, as it pertains to structural

requirements, has nearly closed. Field Act standards are also more costly to meet than UBC requirements. Additional regulations in the Field Act increase the cost of construction by three to six percent over the cost of UBC construction, according to a study by the Office of the State Architect.[40]

Unfortunately for proponents of worksite schools, existing commercial buildings almost never meet Field Act standards. The critical problem is that existing commercial buildings, since they were not designated as public schools to begin with, have not been subjected to the same rigorous inspection process during construction that the Field Act mandates for schools. The Field Act also imposes slightly higher construction standards than the UBC. For example, the maximum allowable distance between foundation anchor bolts is four feet under Title 24 code requirements for schools, while the UBC permits the bolts to be spaced at six feet apart.

This two-tiered building-code system seriously limits the infrastructure options for overcrowded schools. Streamlining the two codes would create more flexibility for planning administrators searching for alternative sites for schools.

The Field Act limits the design of satellite schools, but it does not preclude them. There are several options for addressing the Field Act when planning a satellite school.

Portable Classrooms. Perhaps the best option is to house satellite schools in Field Act-approved, portable buildings. Using portable buildings provides more flexibility at lower cost than construction of a permanent facility. This method is time-tested and favored by the education establishment; many schools use portable buildings. In fact, districts are required by law to include a specified percentage of portable buildings in new school construction.

Portable classrooms are mass produced and inspected according to Field Act standards during the manufacturing process. The purchase price of a 960-square foot portable is approximately $24,000, according to the Office of Local Assistance, which leases portable buildings to school districts.[41] The Hidden Valley Satellite School uses Field Act-approved portable classrooms at its site.

Retrofit Existing Buildings. School planners may decide to retrofit an existing commercial building to comply with the Field Act. This is a complicated procedure involving reinspection of the building structure (including breaking into walls for inspection purposes), and redrawing blueprints if actual construction departed from the original design plan. Complying with Field Act standards can also involve modification of the existing structure. Bringing existing commercial space into compliance with the Field Act is possible but can cost tens of thousands of dollars and take six months to a year to get OSA approval even if no structural changes are needed.[42]

New Construction. Another option is to construct a permanent building that complies with Field Act standards. Some businesses may desire to pursue this option and provide permanent facilities for the school. After starting out in portable classrooms, American Bankers Insurance Group

built a permanent school building on their premises to house the SLCs. Construction costs for buildings that comply with Field Act standards are 3 to 6 percent higher than UBC construction costs.

Exemption From Definition of "School." A third option may be available to some satellite schools, depending on how they are organized. Section 39141.9 of the state Education Code allows for "exemptions for facilities used for independent study." The code reads in part:

> In order to provide alternative, community-based educational opportunities through independent study, any school district or county office of education may request an exemption from the State Allocation Board for a building or structure, or portion of a building or structure, from the definition of "school buildings" within the meaning of Section 39141. The exemptions may be granted for no longer than two years and exemptions are renewable.

By becoming exempt from the definition of "school building" under Education Code section 39141.9, the school is not required to comply with Field Act standards, yet it still receives public funding.

This interpretation is supported by a 1986 case involving an independent study program administered by the Mendocino Unified School District. An investigation by the state Department of Education found that the school district had not acted illegally on a number of charges, including its approval of the location of the school in buildings which did not comply with the Field Act.[43]

Additional restrictions on "independent study" programs, however, may discourage businesses and school districts from pursuing this option. The school must serve no more than 25 students. Also, dependence on a two-year "renewable exemption" for the school's continuation may not provide the degree of stability those planning a satellite school would desire.

Future Viability of the Field Act. While the Field Act significantly narrows the range of available options to meet school infrastructure needs, and raises the costs of providing suitable classroom space, it does not necessarily have the desired effect of providing additional earthquake safety to students. Despite intentions to the contrary, many students are not served in school facilities that meet Field Act standards.

This is especially true of older structures. The Field Act, like the UBC, has evolved over time to meet ever higher earthquake safety standards. The Office of the State Architect estimates that approximately 30 percent of public school buildings may have seismic safety problems.[44]

The prevalence of waivers also reduces the Field Act's intended result. Almost 6,000 school buildings have been granted a temporary three-year waiver or exemption from the Field Act standards.[45] These buildings accommodate about 3.5 percent of school children enrolled in K-12 public schools. To be eligible for the waiver, a building must have been owned by a school

district and constructed before 1990. Furthermore, private schools never have had to conform to Field Act standards, yet they enroll about ten percent of California's children (approximately 550,000 children) in primary and secondary school.

All of these elements have contributed to the ongoing debate over the practicality and rationale of the Field Act standards. Faced with the immediate need of adding capacity to the public school system while vacant commercial and office space go begging, some educators and policy makers have advocated a Field Act equivalency standard.

Appendix IV contains an equivalency bill introduced into the state legislature by state Speaker of the Assembly Willie Brown (D-17). It calls for approving those buildings that comply with UBC standards for Type I and Type II buildings for use as public school facilities. (The UBC categorizes buildings into five types distinguished by technical differences in their construction, design and use of materials.) An equivalency standard might encourage more businesses to host satellite schools on their premises, especially those businesses with excess office capacity. An equivalency standard would also make satellite schools more feasible in business parks or downtown areas with high vacancy rates.

Speaker Brown's bill contains some additional provisions which do not make it ideal legislation for satellite schools. Nonetheless, the proposed legislation does signal the direction in which some legislators are moving in search of alternative providers of school infrastructure.

Recommendations

1. Use Field Act approved portable classrooms.

2. Enact a Field Act equivalency standard for satellite schools.

3. Streamline Title 24 (Field Act) with the UBC.

B. City Council Review

The City Council was a major impediment to the Hidden Valley Satellite School proposal. One council member voted against the measure because of its potential, but unproven, environmental impact on rainwater drainage. Another cast her vote against the satellite school because she perceived the school as being elitist. The subjective nature of city council review could easily block the efforts of satellite-school planners.

Section 53094 of the Government Code grants "authority to render zoning ordinance inapplicable

to use of school district property; review by city or county." By a two-thirds vote, a district's school board may decide to exempt school property (owned or leased) from compliance with city or county zoning ordinances. The board has no power to exempt a school from complying with regulations affecting drainage, road conditions or grading.

Recommendations

1. Involve city council members early on in the planning process. When people have made an "investment" in an idea, they will be more inclined to facilitate the planning process and seek constructive solutions if problems arise.

2. Get school board to grant an exemption from local zoning ordinances for satellite schools.

C. Equal Access

The California constitution guarantees equal protection of the law to all children with respect to school assignment. Article I, section 7 states, in part, "A person may not be...denied equal protection of the laws...with respect to the use of pupil school assignment or pupil transportation." Conceivably, opponents of satellite schools could cite this clause and petition that satellite schools not restrict enrollment by granting priority enrollment status to the children of parents working at the host business.

Clearly public schools do not now provide equal access—most students are assigned to schools by neighborhood, not by preference. Even where open-enrollment, or public-school choice policies exist, enrollment is restricted on a space-available basis with priority given to children within a school's or district's boundaries.

Access can, and should be limited, but not for reasons of discrimination based on factors such as race, gender, or religion. Past experience with the satellite schools in Dade County indicates that discrimination based on race has not occurred. Satellite schools there educate children from a broad cross-section of different ethnicities. The satellite schools reflect the diverse ethnic and educational backgrounds of employees in the workplace from whose children they draw. By their very nature, satellite schools promise more classroom diversity than conventional neighborhood public schools whose enrollment demographics correspond directly to living patterns and housing prices.

Although some may object to the priority status given to the children of Hewlett-Packard employees, without it Hewlett-Packard would have little incentive to sponsor satellite schools. Businesses have an incentive to provide satellite schools if they know their employees value the program as an important employee benefit associated with that particular company. If priority

status were taken away, the incentive would be diluted with the unintended result being that fewer businesses would be willing to sponsor schools. For satellite schools to proliferate, priority status for the children of sponsoring organizations must be protected.

Recommendations

School districts, unions, parent groups, and business sponsors should all take steps to educate the public about the purpose and operation of the proposed satellite school. It may be helpful to point to the experience of established SLCs to show that the schools truly are representative of a broad cross-section of ethnicities and household incomes.

D. Student Transfer Restrictions

Section 48204 of the California education code permits students to transfer to the district where their parents work. However, those transfers are restricted by number and type. For example, incoming transfers may be prohibited because they disrupt desegregation balances. Outgoing transfers may be restricted if they drain too many students, and spending per ADA, away from the sending district unless that district consents to the transfer. If most transfers to satellite schools are inner-district, then resistance to the program by districts should be minimal. If, however, the satellite pulls in a great many students from outside the district, then the program could potentially face strong resistance from districts reluctant to part with their students, and the attendant ADA revenue.

Recommendations

It is important that cooperation and support for a satellite school be obtained from the districts which surround the satellite's host district. This would be especially true if the popularity and magnitude of a satellite program was such that it significantly affected the financial and/or ethnic balances of the sending district.

VI. POTENTIAL SHORTCOMINGS OF SATELLITE SCHOOLS

A. Funding Could Dry Up

School districts should protect themselves by developing a contract which clearly states the financial obligations of each partner. Districts may also want to reduce their dependence on the business over the long run by arranging for the business partner to assume most of the start-up costs while the school assumes annual operating expenses. The business partner may find this arrangement advantageous as well because it can commit resources now and minimize its long-run obligations.

B. Limited to Lower Grade Levels

Some parents have complained that satellite schools do not go far enough up the grade levels. The conventional response has been that older children require more resources—such as bigger playfields or more academic programs—that are not easily available at worksite schools. For this reason, the SLCs in Florida have not provided instruction to students beyond the third grade.

However, expanding the program is feasible. The Downtown Open School, located in an office building in the middle of downtown Minneapolis, currently provides instruction to 150 students in grades K-3, but eventually plans to offer instruction through the sixth grade. (See Appendix V) Some educators advocate multiple age groupings of students within a single class—a revival of the one-room schoolhouse concept. Appendix VI describes a California-based worksite school in which 17 children in grades K-10 are taught by two teachers who incorporate small workgroups and individual instruction into their teaching methods. Extension of satellite schools to embrace more grade levels could have major benefits for students and businesses alike. For older students, vocational training, apprenticeships, and internships in partnership with the business sponsor could be incorporated into the school curriculum.

VII. CONCLUSION

When businesses team up with the schools, innovative solutions to some of the greatest challenges in education are possible. Creative solutions to the problems of our public schools are needed now more than ever in the face of growing enrollment and voter resistance to increased taxation. Satellite schools demonstrate how school districts can reduce expenditures for new school infrastructure while providing a quality environment for learning. The business community has shown a strong and consistent willingness to enhance the educational opportunities for California's children, and the schools have been receptive to its efforts. Now, it is up to state and local government officials to join the effort by reducing regulatory barriers to constructive public-private partnerships and by creating incentives for their formation. By working together, we can meet the education challenges of the future and the responsibilities of today.

"HOW-TO" GUIDELINES FOR SCHOOL DISTRICTS

- Assess infrastructure needs. Compare costs (time and money), benefits (savings on infrastructure, ties to business community and parents), and limitations (grades served) of private provision of infrastructure versus public provision.

- Actively seek out business partners by making presentations to Chambers of Commerce and other trade organizations.

- Attempt to locally finance, with public or private funds, 100 percent of the infrastructure (building plus property) for the satellite school in order to be exempted from state level review by the Department of Education and the Office of Local Assistance.

- Designate a host school and gain its commitment to the SLC concept.

- Gain school board approval and its two-thirds majority vote to exempt the satellite school from city or county zoning ordinances.

- Draw up a formal binding contract with business partner delineating respective responsibilities and contributions.

- Submit site development plans to OSA for approval.

- Seek the full support and participation of teachers' associations.

- Clearly define the role of the lead teacher within the SLC and describe the career advancement and decision making opportunities at SLCs.

- Be accessible to parents and community groups. Take time to meet with neighborhood groups, parents, and local government.

- Get close to your district legislator. Exemptions and waivers may have to be crafted for some types of satellite schools. Establish relationship early on and keep legislative representative informed.

- Be prepared for delays. Contingency plan may be helpful if site is delayed and children must attend another school temporarily.

"HOW-TO" FOR BUSINESS PARTNERS

- Experience with the Dade County SLCs suggests that 1500 employees at any given site is the minimum needed to support a worksite school. Organizations with fewer numbers of employees could consider teaming up with other nearby businesses to co-sponsor a satellite school. IDS and NSP in Minneapolis are an example of this kind of cooperation.

- Survey employees to determine interest.

- Determine degree of financial responsibility to undertake. Consider advantages and disadvantages of limiting financial obligations to sizeable up-front contribution versus supplying operating income over time.

- Seek out potential school district partners through presentations to school boards and teachers associations meetings.

- Be clear on what will be provided and in what amount by each partner.

- Promote school internally to encourage participation. Educate employees and involve them in planning process.

- The Department of Education's facilities planning division publishes three succinct reports on size and design guidelines for school buildings and play areas. Businesses contemplating hosting a satellite school may wish to obtain these publications. The suggested standards listed in the reports are guidelines, not regulations.

- Consider using portable buildings instead of constructing permanent buildings to minimize the expense of building to Field Act standards and to speed the OSA approval process.

RECOMMENDATIONS FOR CALIFORNIA STATE GOVERNMENT

- Provide tax credits for private businesses which sponsor satellite schools.
- Exempt satellite facilities from ad valorem taxes.
- Streamline Title 24 code regulations (the Field Act) with UBC standards so that satellite schools can occupy vacant office and commercial space.
- Fast track OSA approval for satellite schools.
- Support priority enrollment for business employees, so that businesses have an incentive to participate.
- Exempt satellite schools from city council approval.

About the Author

Janet Beales is a policy analyst for the Education Center at the Reason Foundation. Before earning her M.B.A. degree at the University of Washington, Ms. Beales was a project manager with the National Chamber Foundation, the research affiliate of the U.S. Chamber of Commerce, in Washington, D.C.

APPENDIX I

Contract Between ABIG and the School Board of Dade County

AMENDED

AGREEMENT FOR SATELLITE LEARNING CENTER

THIS Amended Agreement, dated this 14th day of December, 1987, by and between THE SCHOOL BOARD OF DADE COUNTY, FLORIDA (hereinafter referred to as "School Board"), with offices at 1450 N. E. Second Avenue, Miami, Florida 33132, and THE AMERICAN BANKERS INSURANCE GROUP, INC. (hereinafter referred to as the "Host Corp."), with offices at 11222 Quail Roost Drive, Miami, Florida 33157, shall supersede all previous agreements or understandings.

WITNESSETH:

WHEREAS, the School Board wishes to provide an appropriate program of education for students to be mutually agreed upon in Grades K-2, whose parents are employees of the Host Corp. or its subsidiaries or affiliates located at 11222 Quail Roost Drive, Miami, Florida, (hereinafter "Satellite Learning Center"), provided the attendance in this program must reach a mimimum of 20 students per grade level; and

WHEREAS, commencing with the 1988-89 school year, the Host Corp. wishes to provide a building and related physical facilities to house the Satellite Learning Center (hereinafter "Physical Facility") on its grounds along with other support services; and

WHEREAS, the parties wish to enter into an Agreement to establish an Early Childhood Satellite Learning Center as a satellite learning center to Cutler Ridge Elementary School, commencing with the 1987-88 school year.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt of which is hereby acknowledged, the parties to this Contract agree as follows:

A. The parties hereto mutually agree that:

1. The Satellite Learning Center shall accept an enrollment of a minimum of 20 and maximum number of students which maximum number shall be mutually agreed upon by the parties hereto. Operation of the Satellite Learning Center with less than 20 students is at the sole option of the School Board. The students to be enrolled shall be determined by the Host Corp. through established procedures

which are mutually agreed upon by the parties. To the extent possible, the selection process for students will result in a racial balance that reflects the School Board's racial/ethnic ratios.

2. This Agreement shall commence on August 20, 1987 and end on June 30, 1993. It may be renewed by the mutual agreement of the parties upon thirty (30) days' written notice prior to the termination date, and it may be terminated for cause by either party at any time after giving sixty (60) days' written notice.

3. The Satellite Learning Center will be housed in a relocatable teaching unit provided by the School Board on the grounds of Miami Southridge Senior High School, commencing with the School Board's instructional year (hereinafter "Instructional Year") for 1987-1988 and continuing until the Physical Facilities are constructed, completed and suitable for occupancy.

4. The educational program shall be consistent with the philosophy and goals attached hereto as Attachment A, applicable state and federal statutes, and State Board of Education and School Board rules. Appropriate evaluation of the program shall be conducted by the staff of the School Board. The program will be limited to kindergarten for the 1987-88 school year and may be expanded to include K-2 in the subsequent years.

5. Written policies and related agreements concerning the care of students in emergencies, administrative records, staff duties, fee schedules, insurance coverage, and program coordination with other organizations will be cooperatively developed between the School Board and the Host Corp.

6. The Instructional Year and instructional school day contemplated by this Agreement shall be consistent with §228.041(13) and (17), Fla.Stat., and applicable State Board and School Board rules and procedures.

7. Beginning the first day of Instructional Year of 1987 until the Physical Facilities are constructed, completed and suitable for occupancy, the School Board covenants and agrees that it shall indemnify, hold harmless and defend Host Corp. on regular school days during regular scheduled school hours, from and against any and all claims, suits, actions, damages or causes of action arising during the

term of this Agreement, arising out of, related to or in connection with the Agreement, including personal injury, loss of life or damage to property and from and against any orders, judgments or decrees which may be entered hereon, and from and against all costs, attorney's fees, expenses and lawsuits incurred in and about the defense of any such claim and investigation thereof to the extent of insurance purchased by the School Board.

School Board agrees to keep in effect public liability insurance in the amount of $500,000 in excess of a specified self-insured retention not to be less than $200,000, totalling $700,000 for the term of this Agreement and any extension thereof and agrees to supply the Host Corp. with a certificate of such insurance naming Host Corp. as an additional insured.

However, nothing in this section shall be construed to provide indemnity to Host Corp. for any liability or claim arising out of Host Corp.'s negligence or the performance or failure of performance required of Host Corp. including but not limited to, any discrimination claims brought by third parties arising out of an inability to participate in the Satellite Learning Center due to admission guidelines set by Host Corp.

School Board and Host Corp. agree to insure or self-insure their respective interests in real and personal property for casualty loss and related risks to the extent each deems necessary or appropriate and hereby mutually waive all rights to recovery for loss or damage by any means and waive all rights to recovery for loss and damage to such property by any cause whatsoever. School Board and Host Corp. hereby waive all rights of subrogation under any policy or policies they may carry on property placed on or moved into or on Physical Facilities.

At the time Physical Facilities are constructed, completed and suitable for occupancy by students, one of the following will occur:

A jointly purchased liability policy will go into effect insuring both the School Board and the Host Corp. for the exposures present in the Satellite Learning Center and its programs. All claims, premiums, deductibles, etc. will be inclusive of this policy with all costs shared equally 50-50.

-OR-

If at the time the Physical Facilities are constructed, completed and occupied, a joint policy cannot be purchased, the School Board covenants and agrees that it shall indemnify, hold harmless and defend Host Corp. for claims occurring on regular school days during regular scheduled school hours, from and against claims, suits, actions, damages or causes of action arising out of any exposures related to the actual educational process as a result of this Agreement, including but not limited to supervision, administration, and implementation of proper educational content and proper placement.

At the same time, Host Corp. covenants and agrees that it shall indemnify, hold harmless and defend School Board on regular school days during regular scheduled school hours, from and against claims, suits, actions, damages or causes of action arising out of the Physical Facilities, including but not limited to negligent maintenance of Physical Facilities and surrounding grounds.

Such mutual indemnifications will include any personal injury, loss of life or damage to property and from and against any orders, judgments or decrees which may be entered hereon, and from and against all costs, attorney's fees, expenses and liabilities incurred in and about the defense of such claim and investigation thereof to the limits of the School Board's and Host Corp's insurance coverage. In the event a claim or suit is brought against both parties where the nature of such claim or suit cannot be clearly cited against either party in its entirety, both the School Board and Host Corp. agree to mutually share in all expenses, attorney's fees, claim or suit payments, judgments, actions or causes of actions brought forth equalling a 50-50 split of such liabilities brought forth, up to the limits of the School Board's and Host Corp.'s insurance coverages.

The School Board agrees to keep in effect public liability insurance in the amount of $500,000 in excess of a specified self-insured retention not to be less than $200,000, totalling $700,000 for the term of this Agreement and any extensions thereto, and agrees to supply Host Corp. with a certificate of such insurance naming Host Corp. as an additional insured. Host Corp. agrees to maintain self-insurance or insurance policies for these purposes of no less than $1,000,000.

BEST COPY AVAILABLE

All other insurance requirements regarding self-insuring personal and real property and waiver of subrogation remain effective at the time participating students occupy the Physical Facilities.

8. This Agreement may only be modified or amended by mutual consent of the parties in writing.

B. The School Board agrees to provide the following:

1. Teachers and other personnel on substantially the same basis as provided to other Dade County Public School K-2 programs. Said personnel are and shall be deemed solely the employees of the School Board and shall have all rights and privileges afforded under applicable labor contracts, School Board rules, State Board of Education rules and Florida Statutes. The selection, supervision, official observations and annual evaluations of teachers shall be performed only by School Board personnel.

2. Food service and instructional materials as provided regular classes in other Dade County public schools.

3. Ancillary student and parent support services, e.g., gifted or academic excellence programs, as are provided within the normal course within the Dade County Public Schools.

4. Installation and maintenance of play area equipment. Should the Host Corp. or other group desire to place any equipment on the premises, the type of equipment and installation must have prior written approval of the School Board.

5. Appropriate furniture and equipment and maintenance of same.

6. Until the 1988-89 school year only:

a. Temporary relocatable classroom space and grounds at Miami Southridge Senior High School.

b. Custodial services, maintenance, repair of classrooms and equipment.

c. Security services.

d. A program of before and after-school care on teacher workdays and school holidays for participating students available to the parents of such students at a cost commensurate to

those charged in similar programs offered by the Dade County Public Schools.

e. Utilities at the classroom area.

C. The Host Corp. agrees that it will provide the following:

1. By the 1988-89 Instructional Year, it shall complete construction of the Physical Facilities which meet the specifications outlined in Attachment A for housing the Satellite Learning Center.

2. Installation and maintenance of a six-foot fence surrounding the Physical Facilities and Satellite Learning Center grounds.

3. All utilities at the Physical Facilities and play area, commencing with the 1988-89 Instructional Year.

4. Custodial services, maintenance, repair of the classrooms and building, excluding School Board or other non-Host. Corp.-provided equipment, beginning with the 1988-89 school year.

5. Security services, beginning with the 1988-89 school year.

6. A program of before and after-school care on teacher workdays and school holidays for participating students, with expenses borne by parents, will be offered beginning with the 1988-89 Instructional Year.

7. Landscaping and maintenance of the fenced-in area surrounding the Physical Facilities.

8. Assurance that students will be transported to school without School Board expense.

9. Sufficient parking for school personnel.

10. Written procedures for intake and separation of students as mutually agreed upon by the parties. These procedures will provide that in the event a student ceases to attend the Satellite Learning Center and wishes to attend public school, he or she shall be assigned to the public school serving his or her attendance zone.

11. Full compliance with School Board procedures to protect the confidentiality of student records whether maintained at the

parent school, Cutler Ridge Elementary, or at the learning center, as specified in §228.093, Fla.Stat., the Family Educational Rights and Privacy Act, and Florida Administrative Code, Rule 6A-1.0955.

12. Access to the staff of the School Board to the Satellite Learning Center and opportunity to review the services provided by the Host Corp. and confer with the staff of the Host Corp. at reasonable times.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove set forth.

Attest:

Secretary

THE SCHOOL BOARD OF DADE COUNTY, FLORIDA

By: Chairman

Attest:

Witness

AMERICAN BANKERS INSURANCE GROUP, INC.

By: X Authorized Signer

APPROVED AS TO FORM:

Attorney for School Board

APPENDIX II

A. Florida Statute.

B. School Site Plan at Hewlett-Packard Company.

C. Seven-Year Budget Projections for the Hidden Valley Satellite School at Hewlett-Packard.

D. Enrollment Growth Projections for California, by County.

E. The Downtown Open School in Minnesota.

F. The G.T. Private School in California.

APPENDIX II-A

235.198 Cooperative development and use of satellite facilities by private industry and school boards.--

(1) Each district school board may submit, prior to August 1 of each year, a request to the commissioner for funds from the Public Education Capital Outlay and Debt Service Trust Fund to construct, remodel, or renovate an educational facility within the industrial environment. No school board may apply for more than one facility per year. Such request shall contain the following provisions:

(a) A detailed description of the satellite site, the site development necessary for new construction, remodeling, or renovation for the accomplishment of the project, and the facility to be constructed. The facility shall be located on a site owned by the business and leased to the school board at no cost. However, the minimum agreement shall be for a period of at least 5 years. The amounts provided by the state and the school board shall be considered full consideration for the lease. If the lease agreement is terminated early, the business shall reimburse the school board an amount determined by multiplying the amounts contributed by the school board and the state by a fraction the numerator of which is the number of months remaining in the original agreement and the denominator of which is the total number of months of the agreement.

(b) A detailed description and analysis of the educational programs to be offered and the benefits that will accrue to the students through the instructional programs upon completion of the facility.

(c) The estimated number of full-time students whose regularly scheduled daily instructional program will utilize the facility.

(d) The estimated cost of the facility and site development not to exceed the Office of Educational Facilities' average cost of new construction adjusted to the respective county cost index. If a site must be acquired, the estimated cost of the site shall be provided.

(e) A resolution or other appropriate indication of intent to participate in the funding and utilization of the educational facility from private industry. Such indication shall include a commitment by private industry to provide at least one-half of the cost of the facility. The school board shall provide one-fourth of the cost of the facility and, if approved, the state shall provide one-fourth of the cost of the facility. Funds from the Public Education Capital Outlay and Debt Service Trust Fund may not be expended on any project unless specifically authorized by the Legislature.

(f) The designation as to which agency is to assume responsibility for the operation, maintenance, and control of the proposed facility.

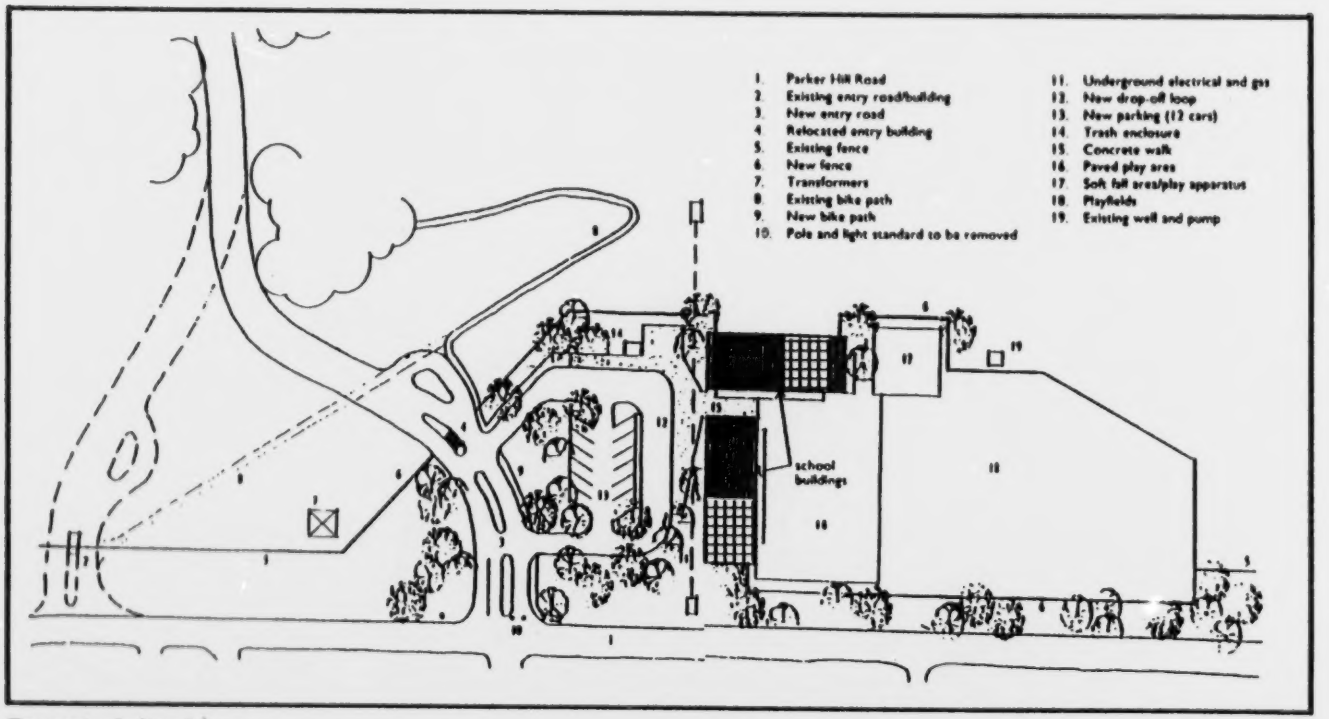
(g) Documentation by the school board that a long-term lease for the use of the educational facility for a period of not less than 40 years or the life expectancy of the permanent facility constructed thereon, whichever is longer, has been obtained from private industry.

(2) The commissioner shall appoint a review committee to make recommendations and prioritize requests. If the project is approved by the commissioner, the commissioner shall include up to one-fourth of the cost of the project in the legislative capital outlay budget request, as provided in s. 235.41, for the funding of capital outlay projects involving both educational and private industry. The commissioner shall prioritize any such projects for each fiscal year and, notwithstanding the provisions of s. 235.435(3)(c), limit the recommended state funding amount not to exceed 5 percent off the top of the total funds recommended pursuant to s. 235.435(2) and (3).

(3) Facilities funded pursuant to this section and all existing satellite facilities shall be exempt from ad valorem taxes as long as the facility is used exclusively for public educational purposes. History.--ss. 9, 15, ch. 90-241.
Note.--Expires July 1, 1995, pursuant to s. 15, ch. 90-241, and is scheduled for review by the Legislature.

Source: 1992 Florida Statutes

APPENDIX II-B



Conceptual site plan

APPENDIX II-C

HIDDEN VALLEY SATELLITE SCHOOL

Seven Year Plan

	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	7-YR TOTAL	
Grandes Served	none	K,1	K,1,2	K,1,2,3	K,1,2,3	K,1,2,3	K,1,2,3	K,1,2,3		
K-3 Enrollment*		52	90	120	120	120	120	120		ada = 98.32% of enrollment
K-3 Income										
Revenue Limit		143,374	258,074	357,863	372,177	387,064	402,547	418,649	2,339,747	assuming 4% COLA/year
Lottery		0	4,090	7,079	9,439	9,439	9,439	9,439	48,924	$80/prior yr ada
IIP Grant		89,000							89,000	to help offset first yr deficit
K-3 Expense										
Lease payment		46,950	56,537	66,124	66,124	66,124	66,124	66,124	434,106	actual cost
Startup (NOTE #1)	67,481	39,407	6,744	6,744					120,376	
Salaries & Benefits		128,467	202,116	282,726	296,691	311,426	326,980	343,404	1,891,810	salaries up 4%/yr, benefits 8%
Operating (NOTE #2)		21,740	25,276	27,974	29,093	30,257	31,467	32,725	198,532	increase 4&/yr
K-3 Excess/(Deficiency)	(67,481)	(4,189)	(28,509)	(18,626)	(10,292)	(11,304)	(12,586)	(14,167)	(167,154)	
		1,868	2,295							
Day Care Enrollment*		35	60	80	80	80	82	85		
Day Care Income		64,007	181,180	242,064	251,747	261,817	272,289	283,181	1,556,286	
Day Care Expense										
Lease payment		18,258	18,258	18,258	18,258	18,258	18,258	18,258	127,808	
Startup (NOTE #3)		7,500							7,500	
Salaries & Benefits		49,930	79,133	111,635	118,290	125,541	133,458	142,127	760,114	
Operating (NOTE #4)		24,884	38,819	53,829	55,982	58,222	60,550	62,972	355,258	
Day Care excess/(deficiency)		(36,565)	44,970	58,342	59,217	59,795	60,023	59,824	305,606	

Note #1 - Startup Costs include:

Furniture & Equipment	23,500
First year extra supplies	2,488
Attachment A	27,745
Attachment B	20,325
Architect Fees	23,830
Ramps & Sidewalks	9,000
total	106,888

Note #2 - Operating Expenses include:

Formula allowance ($41.47/enrollment)	2,488
Lottery ($375 base + $10.50/enrollment)	1,005
Utilities	5,600
Building & Equipment maintenance	7,852
Certificated subs	5,500
Classified subs & overtime	300
total	22,745

Note #3 - Startup costs include:

Furniture & equipment	7,500
total	7,500

Note #4 - Operating expenses include:

Supplies & Food	5,050
Sub/OT salaries & benefits	8,934
Share of central office expens	10,900
total	24,884

*enrollment for 92-93 is actual as of 8/24/92, future years are estimated at full capacity

Source: Santa Rosa City School District

ATTACHMENT A

Flagpole	1,000
Wood curb (soft fall area)	1,120
Chips (soft fall area)	3,125
Play apparatus	15,000
Ball wall	1,000
Trash enclosure	1,200
Site lighting	3,000
Striping	1,500
Total	26,945

ATTACHMENT B

Use permit/ design review	1,325
OSA Fees	3,500
Dept. of Ed. Fees	300
Printing Costs	2,500
Testing	2,000
Utilities to bldg	5,000
Inspection	7,000
Misc. Other	2,500
	24,125

KC: 11-4-91

Appendix II-D

K-12 Public School Enrollment
Total Graded Enrollment by County
Ranked by Largest Percent Increase 1990 to 2000

COUNTY	1990 TOTAL K-12	2000 TOTAL K-12	% CHANGE 1990–2000
Riverside	218,100	437,700	100.7
San Bernardino	285,200	552,300	93.6
El Dorado	24,700	41,900	69.3
Calaveras	6,100	10,200	67.3
Placer	33,200	55,200	66.3
Lake	9,100	14,900	63.7
Stanislaus	76,600	124,200	62.1
Mariposa	2,500	3,900	57.0
Solano	61,700	96,100	55.8
San Diego	387,900	601,900	55.2
Merced	41,400	63,500	53.3
San Joaquin	92,800	142,000	53.0
San Luis Obispo	30,600	46,800	52.8
Santa Barbara	52,100	78,700	50.9
Sacramento	175,000	263,300	50.5
Kern	116,000	173,000	49.1
Nevada	12,200	18,000	48.4
Orange	368,300	546,200	48.3
San Benito	7,500	11,000	47.5
Amador	4,200	6,200	47.3
Fresno	146,500	215,000	46.7
Yuba	12,400	18,000	45.7
Yolo	22,200	32,200	45.5

Appendix II-D *(Continued)*

K-12 Public School Enrollment
Total Graded Enrollment by County
Ranked by Largest Percent Increase 1990 to 2000

COUNTY	1990 TOTAL K-12	2000 TOTAL K-12	% CHANGE 1990-2000
Sutter	12,600	18,100	43.8
Tehama	9,800	14,000	43.6
Tuolumne	7,600	10,900	42.7
Contra Costa	124,900	178,100	42.6
Sonoma	60,600	86,300	42.3
Butte	29,000	41,100	41.7
Shasta	27,300	38,500	41.1
Los Angeles	1,374,800	1,930,200	40.4
Mono	1,600	2,200	39.6
Del Norte	4,600	6,500	39.6
Santa Cruz	35,300	48,900	38.8
Tulare	71,700	98,100	36.8
Imperial	28,500	39,000	36.7
Kinos	20,300	27,600	36.3
Colusa	3,800	5,100	35.3
Napa	16,200	21,900	35.1
Monterey	60,000	80,600	34.3
Marin	24,600	32,900	33.8
Alameda	181,700	241,700	33.0
San Mateo	79,200	105,300	32.9
Ventura	113,000	149,600	32.4
Madera	19,900	26,000	30.7
Glenn	5,500	7,200	30.5

Appendix II-D *(Continued)*

K-12 Public School Enrollment
Total Graded Enrollment by County
Ranked by Largest Percent Increase 1990 to 2000

COUNTY	1990 TOTAL K-12	2000 TOTAL K-12	% CHANGE 1990-2000
Santa Clara	218,700	269,300	23.1
Humboldt	20,800	25,100	20.6
Lassen	5,200	6,200	19.8
Mendocino	15,500	18,300	17.8
Trinity	2,500	2,800	12.2
Siskiyou	8,600	9,500	10.3
San Francisco	62,100	67,700	9.0
Inyo	3,300	3,600	8.4
Modoc	2,200	2,400	6.5
Sierra	800	800	3.4
Plumas	3,700	3,700	.5
Alpine	200	200	.6

Source: California Department of Education

APPENDIX II-E

DOWNTOWN OPEN SCHOOL

The Downtown Open School in Minneapolis, Minnesota, has operated as a public/private partnership between Minneapolis public schools, and two corporate partners, IDS Financial Services and Northern States Power Co. (NSP) since 1991. Each of the private-sector sponsors contribute about $100,000 a year to help pay for start-up costs, leasing space, utilities, and janitorial services. The school, which is located in an office building downtown, serves 150 students in grades K-3. In the future, it will serve students through grade six. Enrollment is open to all children in Minnesota, a state which has public school choice, but priority is given to children of IDS and NSP employees who make up 80 percent of the enrolled students. Approximately half of the children at the Downtown Open School are non-white, mirroring the demographic make-up of the Minneapolis public school system. Although anecdotal evidence indicates that the work performance of parent-employees at IDS and NSP has improved, the two companies sponsor the school primarily for public service reasons and to increase their visibility in the city.[46]

APPENDIX II-F

THE G.T. PRIVATE SCHOOL

The G.T. Private School operates in a converted warehouse on the site of G.T. Water Products, a plumbing parts company in Ventura County, California. Begun in 1986, the school is the brain-child of the company's owner and president George Tash, whose own children attend the on-site school. The G.T. School provides instruction to 17 children in grades K-10 with the help of two certified teachers, one paid and one a volunteer.

Because the school is private and therefore exempt from the Field Act, converted warehouse space can be used for the school. The school site also includes a small outdoor play-area and garden; when the children need more recreational space, the class walks to a nearby park to play.

The company provides the year-round school for its 30 employees free-of-charge. Annual operating costs run close to $50,000 for the teacher's salary, supplies, utilities, and insurance—a cost of approximately $3,000 per student. Company employees report that the school is an important employee benefit and engenders a sense of company ownership and loyalty among them. Tash says that the school helps him recruit good employees. People who want to be near their children, he says, tend to be responsible on the job as well.

APPENDIX III

Contract Between Hewlett-Packard Company
and the
Santa Rosa City Schools District

9-23-91

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT is made and entered into this 9th day of JULY, 1991, by the Santa Rosa City Schools District, hereinafter referred to as "School Board," with offices at 211 Ridgeway Avenue, Santa Rosa, California 95401, and Hewlett-Packard Company hereinafter referred to as "HP" with offices at 1400 Fountaingrove Parkway, Santa Rosa, California 95403.

WITNESSETH:

The following definitions apply throughout this Agreement.

Definitions:

a. School Annex - The School Annex shall mean a satellite school of the Hidden Valley Elementary School in the City of Santa Rosa, Sonoma County, California, established for the purpose of educating Annex Students, as hereinafter defined.

b. Annex Student - An Annex Student shall mean a student attending the Grades offered at the School Annex in accordance with established School Board guidelines and the criteria set forth in Attachment A.

c. Annex Child Care Center - The Annex Child Care Center will occupy the same space at the Physical Facility, as hereinafter defined, and shall be used by Annex Students before and/or after normal hours of school operation.

d. Physical Facility - The Physical Facility shall consist of the land, prefabricated relocatable classrooms, equipment and associated structures provided by HP and the School Board in order to conduct the educational program.

WHEREAS, the School Board and HP recognize the concept of "worksite schools" being implemented throughout the United States by employers and public school districts to benefit working parents and their families; and

WHEREAS, the School Board wishes to provide an appropriate educational program for Annex Students as defined by HP and the School Board in the grades offered at the School Annex located in the Physical Facility at 1400 Fountaingrove Parkway, Santa Rosa, California, hereinafter referred to as "School Annex"; and

WHEREAS, commencing with the 1992-1993 school year, HP and the School Board wish to provide the Physical Facility to house the School Annex and Annex Child Care Center, on HP property, for their mutual benefit; and

WHEREAS, the School Board is responsible for establishing and directing the educational curriculum and program at the School Annex; and

WHEREAS, the parties wish to enter into an Agreement to establish a satellite School Annex of the Hidden Valley Elementary School in the City of Santa Rosa, Sonoma County, commencing with the 1992-1993 school year.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the parties agree as follows:

1. The criteria for determining which students are eligible for enrollment in the School Annex shall be determined through established procedures included in Attachment A to this Agreement. In order to meet the objective of establishing a worksite school and in consideration of HP's contribution of resources, it is understood and agreed that preference will be given to Annex Students as set forth in the established procedures included in Attachment A to this Agreement.

2. This Agreement shall commence on August 1, 1991 and continue until it is terminated by either party at any time with sixty (60) days prior written notice. However, such termination will coincide with the end of a school year in order to provide a smooth transition to another school.

3. The School Annex will be housed in the Physical Facility which will be constructed in accordance with School Board specifications and will be appropriate for the educational program. The Physical Facility will be located on HP property, commencing with the School Board's instructional year for 1992-1993. The opening date for the operation of classes shall be determined by the School Board.

4. The School Board retains sole and final responsibility and authority for the educational curriculum, instruction, school administration and other educationally-related matters, all of which shall be consistent with the philosophy, policy, and procedures and goals of the School Board, applicable state and federal statutes, State Board of Education, and School Board rules. For the 1992-1993 school year, the program will probably be limited to kindergarten and first grade. It may be extended to include other grade levels, at that time or later, upon mutual agreement of the parties.

5. The School Board agrees that the School Annex, together with the Hidden Valley Elementary School, shall operate on the same basis and provide the same services as all other district elementary schools for the grade levels offered at the School Annex to include, but not limited to, such services or materials as:

a. Instructional materials as provided regular classes in other district elementary schools.

b. Ancillary student and parent support services, e.g., guidance or student services programs, as are provided within the normal course within the district elementary schools.

c. Appropriate furniture and equipment and maintenance of same.

d. Installation and maintenance of play area equipment. However, should HP desire to place additional equipment on the Physical Facility, the types of equipment and procurement and installation must have prior written agreement of the School Board which shall not be unreasonably withheld.

This shall not be construed to require the School Board to offer at the School Annex, any or all of its programs, such as, exceptional student education (ELP-GATE), Band-Chorus, Special Education, Library or Home-To-School transportation. Where deemed feasible by the School Board, Annex Students may participate in these programs at Hidden Valley Elementary School.

6. The School Board shall indemnify and hold harmless HP, its officers, agents and employees from and against any and all claims, demands, loss or liability as a result of or arising out of the sole negligence of the School Board, its officers, agents, students, employees or guests. HP shall indemnify and hold harmless the School Board, its officers, agents, students, employees and guests from and against any and all claims, demands, loss or liability as a result of or arising out of the sole negligence of HP, its officers, agents, employees or guests. In the event of any claims, demands, loss or liability arising out of the negligence of both parties, each party shall be responsible based upon its proportionate share of negligence, including its attorney's fees and costs.

7. During the term of this Agreement the Santa Rosa School Board and HP shall maintain in full force and effect, at their own expense, insurance coverage to include:

(i) Workers' Compensation and Employer's Liability Insurance:

Workers' Compensation insurance shall be provided as required by law or regulation.

Employer's Liability insurance shall be provided in amounts not less than $500,000 per accident for bodily injury by accident, $500,000 policy limit by disease, and $500,000 per employee for bodily injury by disease.

(ii) General Liability Insurance:

The School Board and HP shall carry or be self-insured for either Comprehensive General Liability Insurance or Commercial General Liability Insurance with limits of liability and coverage as indicated below:

(1) Premises and Operations;
(2) Products and Completed Operations;
(3) Contractual Liability;
(4) Broad Form Property Damage (including Completed Operations);
(5) Personal Injury Liability.

Comprehensive General Liability policy limits shall be not less than a Combined Single Limit

for Bodily Injury, Property Damage, and Personal Injury Liability of $1,000,000 per occurrence and $1,000,000 aggregate.

Commercial General Liability (Occurrence) policy limits shall be not less than $1,000,000 per occurrence (combined single limit for bodily injury and property damage), $1,000,000 for Personal Injury, $1,000,000 aggregate for Products Completed Operations, and $2,000,000 General Aggregate.

Except with respect to Products and Completed Operations coverage, the aggregate limits shall apply separately to the activities under this Agreement.

Such policies shall name the other party to this Agreement, its officers, directors, and employees as Additional Insureds and shall stipulate that the insurance afforded Additional Insureds shall apply as primary insurance and no other insurance carried by any of them shall be called upon to contribute to a loss covered thereunder.

(iii) Automobile Liability Insurance

The School Board and HP shall carry bodily injury, property damage, and automobile contractual liability coverage for owned, hired, and non-owned autos with a combined single limit of not less than $1,000,000.

(iv) Certificate of Insurance

Certificates of Insurance evidencing the required coverages and limits shall be exchanged between the parties before any occupation of the Physical Facility is commenced hereunder and shall provide that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to each party. All insurance policies shall be written by a company authorized to do business in California. The parties shall furnish copies of any endorsements subsequently issued which amend coverage or limits.

8. The School Board and HP agree to maintain general liability insurance in the amount of not less than three (3) million dollars covering any liabilities incurred by each party due to their respective negligence under this Agreement.

9. The School Board agrees to abide by all HP safety and security rules, regulations and orders. Violation of this provision may result in the removal or restriction of the employee, agent, or other person from the premises. Similarly, HP agrees to abide by all School Board safety and security rules, regulations and orders applicable to the operation of the School Annex. Each party agrees to supply to the other party current copies, including all updates, of such rules, regulations and orders during the term of this Agreement.

10. The School Board agrees to operate an Annex Child Care Center while the school is not in session. The School Board agrees to obtain and provide for the supervision of all students while utilizing the School Annex as a Annex Child Care Center. The hours and days of operation of the Annex Child Care Center shall be determined by the School Board in consultation with HP.

11. Hewlett-Packard will provide the following:

a. Physical Facility.

1. By the 1992-1993 Instructional year or within a reasonable time thereafter, HP shall complete site preparations for lease of the Physical Facility which meets the specifications provided by the School Board for housing the School Annex. In the event that the preparation is not completed and the Physical Facility is not available prior to the commencement of the 1992-93 school year, HP shall notify the School Board of such and the students shall attend Hidden Valley Elementary School provided further that the parties, through their authorized representatives, may make other arrangements for the temporary placement for the students. For these purposes, the authorized representatives of the parties are as follows: for the School Board, Lew Alsobrook, Superintendent of Schools or his designee; for HP, John Shanahan,

General Manager, or his designee.

2. Installation of a fence, six feet in height, surrounding the Physical Facility. (Attachment B represents a layout of the Physical Facility.)

3. All landscaping of the Physical Facility, including maintenance of the landscaping.

4. Sufficient parking for school personnel at the Physical Facility.

5. Included in the site-preparations shall be the costs of the EIR, soils and hazard tests, and any other pre-site preparation costs. However, should the site preparation costs, in the sole discretion of HP, exceed the budgetary estimates prepared by HP at the start of this project, then HP may elect to withdraw from further participation in the project. Accordingly, in the event the School Annex is not built for any reason, each party shall be responsible for its own costs and neither party will look to the other for reimbursement.

b. A training program for School Board employees and parents of Annex Students for the purposes of educating such individuals as to HP rules and regulations pertaining to property, security and safety.

12. The School Board will provide:

a. The construction, the custodial services, and the maintenance of the classrooms and other buildings in the Physical Facility.

b. All utility hookups at the site and on-going operational costs at the Physical Facility.

c. Food service will be provided in accordance with applicable policies and regulations of the School Board.

d. The miscellaneous items listed on Attachment C .

13. HP and the School Board will cooperate to provide:

a. Written procedures for intake and continued eligibility of students as mutually agreed upon by the parties.

b. Access by the School Board staff to confer with the staffs of HP at reasonable times.

c. A mutually acceptable lease within 90 days following approval of the site by the State of California and prior to the start of actual construction.

14. Should the school administration request that a student be transported to the main campus of the Hidden Valley Elementary School for supplemental or other school purpose, such transportation will be provided in accordance with School Board regulations and practice.

15. Both Parties acknowledge that final completion of the School Annex which is the subject of this Agreement depends upon final approval of the proposed site by the State of California and compliance with all pertinent laws. The School Board shall use reasonable efforts to obtain State approval of the proposed site, but shall not be required to appeal any decision of the State or to take any form of legal action to ensure approval of the proposed school site. If prior to construction it is determined by the parties that it is not possible for the School Board or HP to provide the Physical Facility as intended by this Agreement, each party shall bear its own costs as set forth in this Agreement.

16. This Agreement may be modified or amended only by mutual consent of the parties in writing.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals the day and year first above written.

HEWLETT-PACKARD COMPANY
1400 Fountaingrove
Santa Rosa, CA

By _____

Name _____

Title _____

Date _____

Santa Rosa City Schools District

By H. Lewis Alsobrook

Name H. LEWIS ALSOBROOK

Title SUPERINTENDENT

Date 7-9-91

ATTACHMENT A

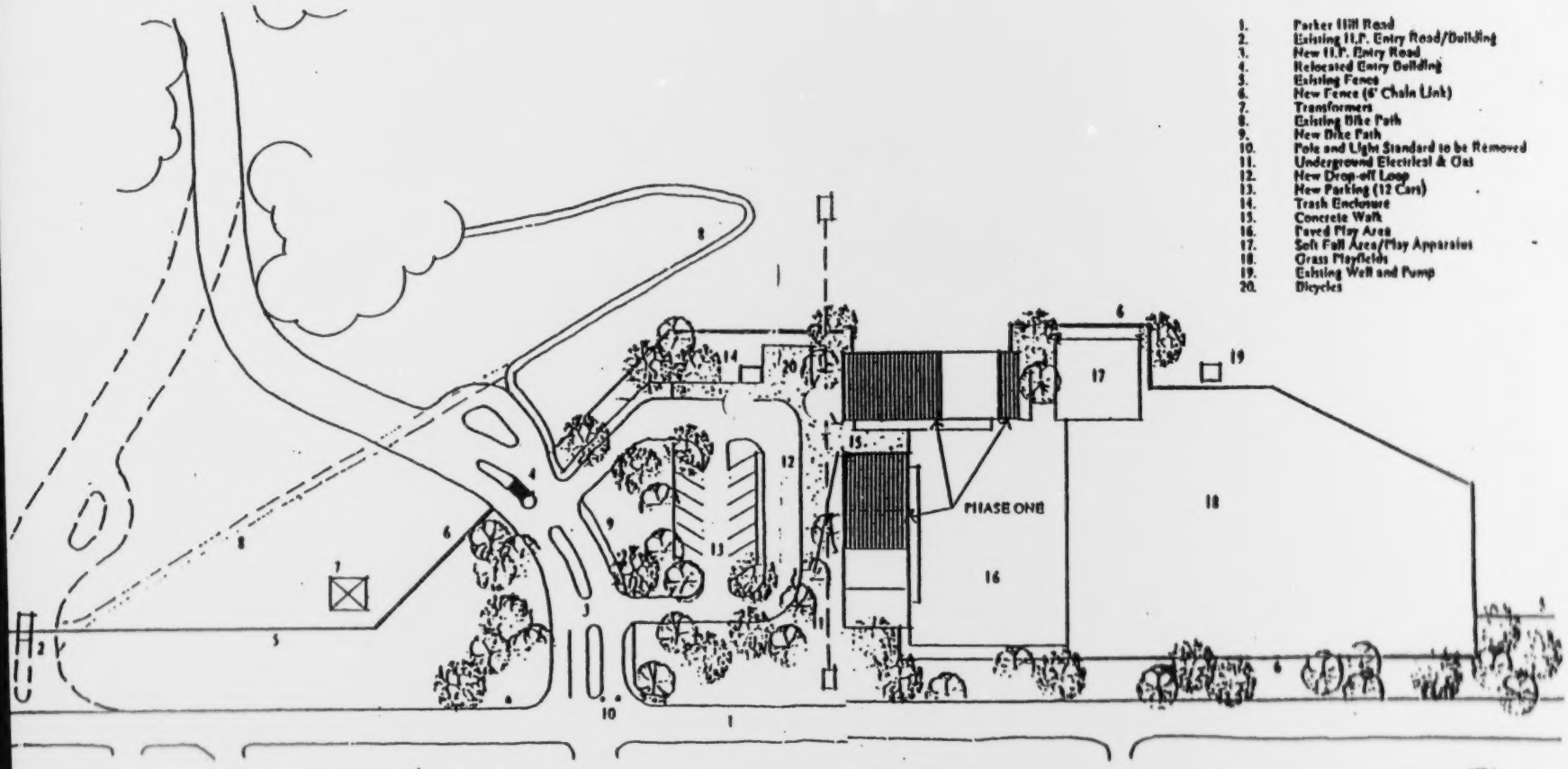
I. The enrollment limitations in the School Annex shall be determined in accordance with the same rules as applied to other Santa Rosa City Schools.

II. (a) Enrollment will be offered first to children of regular full time or part time employees of HP working at the HP facilities located within the city of Santa Rosa. In the event there are more children than available classroom spaces, the criteria for filling available classroom spaces shall be set by the School Board in consultation with HP.

(b) In the event there are available classroom spaces after enrollment has been closed to students identified in (a), above, enrollment will be offered next to any student who is eligible to attend in accordance with established School Board guidelines and whose parent is a resident within the Santa Rosa City Schools District.

(c) In the event there are available classroom spaces after enrollment has been closed to students identified in (a) and (b), above, enrollment will be offered next to any other student who is eligible to attend in accordance with established School Board guidelines.

ATTACHMENT B


1. Parker Hill Road
2. Existing H.P. Entry Road/Building
3. New H.P. Entry Road
4. Relocated Entry Building
5. Existing Fence
6. New Fence (6' Chain Link)
7. Transformers
8. Existing Bike Path
9. New Bike Path
10. Pole and Light Standard to be Removed
11. Underground Electrical & Cat
12. New Drop-off Loop
13. New Parking (12 Cars)
14. Trash Enclosure
15. Concrete Walk
16. Paved Play Area
17. Soft Fall Area/Play Apparatus
18. Grass Playfields
19. Existing Well and Pump
20. Bicycles
PHASE ONE

CONCEPTUAL SITE PLAN

1" = 50'

ATTACHMENT C

Additional Hidden Valley Satellite School Start-up Costs

Item	Cost
Flagpole	$1,800
Wood curb (soft-fall area)	1,120
Chips (soft-fall area)	3,125
Play apparatus	15,000
Ball wall	1,000
Trash enclosure	1,200
Site lighting	3,000
Striping	1,500
Total	**$27,745**

APPENDIX IV

Field Act Equivalency Bill Introduced by Assembly Member Brown

AMENDED IN ASSEMBLY MAY 20, 1992

CALIFORNIA LEGISLATURE—1991-92 REGULAR SESSION

ASSEMBLY BILL No. 2555

Introduced by Assembly Member Brown

February 10, 1992

An act to add Section ~~39113.7 to~~ *39619.1 to, and to add Article 5 (commencing with Section 17760) to Chapter 22 of Part 10 of, and Article 6.1 (commencing with Section 39235) to Chapter 2 of Part 23 of,* the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2555, as amended, Brown. School facilities : ~~child care~~.

Existing law requires that the design and construction of certain school buildings comply with specified structural safety standards.

This bill would exempt from those requirements certain buildings as to which a school district governing board has certified the existence of designated circumstances, including the determination by a licensed structural engineer that the building meets the requirements of the Uniform Building Code and meets certain safety criteria, that the building was constructed in accordance with specified standards and procedures, and that all equipment and nonstructural building elements are anchored adequately to resist anticipated seismic forces.

The bill would authorize a school district that is eligible for project funding for school construction under the Leroy F. Greene State School Building Lease-Purchase Law of 1976 to apply that funding to the acquisition and conversion to school facility purposes of existing building space under the authority described above. The bill also would apply the

amount thereby saved under the state school building program as a credit toward the district's deferred maintenance fund, which serves as the basis for calculating the district's entitlement to state funding for deferred maintenance purposes.

~~Under existing law, all plans and specifications for the construction of new or modernized elementary school buildings, as of January 1, 1998, must be designed to provide appropriate space, consistent with the needs of the attendance area of the school, to accommodate before/school and after/school child care programs.~~

~~This bill would require the State Department of Education to develop guidelines for the design of space to accommodate before/school and after/school child care programs in elementary schools.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 39113.7 is added to the Education Code, to read:~~

~~39113.7. In accordance with Section 39113.5, the State Department of Education shall develop guidelines for the design of space to accommodate before/school and after/school child care programs in elementary school buildings.~~

SECTION 1. Article 5 (commencing with Section 17760) is added to Chapter 22 of Part 10 of the Education Code, to read:

Article 5. Alternative Use of Apportionments

17760. Notwithstanding any provision of this chapter to the contrary, a school district that is eligible for an apportionment for project funding for new construction under this chapter may use that apportionment for the acquisition and conversion to school facility purposes of an equivalent amount of space in an existing structure or structures that meet the requirements of Article 6.1 (commencing with Section 39235) of Chapter 2 of Part 23.

17761. For each project subject to Section 17760, the board shall determine the savings, if any, associated with the project. The savings shall be the difference between the cost of new construction, including land acquisition, and the cost of acquisition and conversion of existing space pursuant to Section 17760.

17762. The board shall adopt rules and regulations for the implementation of this article.

SEC. 2. Section 39619.1 is added to the Education Code, to read:

39619.1. Notwithstanding any provision of law to the contrary, a school district for which the State Allocation Board has determined an amount of savings pursuant to Section 17761 may treat that amount as if it were deposited in its deferred maintenance fund for purposes of receiving state aid pursuant to Sections 39619 and 39619.2.

SEC. 3. Article 6.1 (commencing with Section 39235) is added to Chapter 2 of Part 23 of Division 3 of the Education Code, to read:

Article 6.1. Alternative Approval of School Facilities

39235. The Legislature finds and declares as follows:

(a) In many areas of the state, overcrowding in the schools has created a need for new school facilities in neighborhoods where little or no vacant land exists. School districts are compelled, therefore, to acquire property that has already been developed with structures, then demolish these structures and construct classroom space.

(b) With an estimated statewide need for school facilities within the next five years which exceeds fourteen billion dollars ($14,000,000,000), neither state nor local funds can reasonably be anticipated to meet this need.

(c) In many of the areas having overcrowded schools, a significant supply exists of vacant space in structures

meeting current building codes.

(d) Use of this vacant space by schools can be a cost-effective means of providing classroom space for the students of California.

39236. Notwithstanding any other provision of this chapter, a building of Type I or Type II construction, as defined in Chapters 18 and 19 of the Uniform Building Code, which was constructed in conformance with that code, shall be deemed to meet the requirements of this chapter for occupancy as a school building, subject only to the requirements of this article.

39237. Prior to occupying a building pursuant to this article, the board shall, in a public meeting, adopt a resolution certifying that the following circumstances apply to the building proposed for occupancy:

(a) The building has been examined for suitability, safety, and conformance with applicable codes. The building examination shall consist, as a minimum, of a review of existing documents, building site reconnaissance, and an analysis of the building conducted by, or under, the responsible charge of, a licensed structural engineer.

(b) A certificate of evaluation has been issued by the structural engineer which states that, based on available documents, building site reconnaissance, current knowledge, and engineering judgment, in the engineer's professional opinion, the building meets the requirements of the Uniform Building Code, provides for safe egress of occupants from the building, provides adequate fire safety, and does not pose a substantial threat to life to persons who would occupy the building for classroom use.

(c) The plans for the building were prepared by an architect or structural engineer licensed in the State of California.

(d) The construction of the building was inspected by a qualified inspector pursuant to Sections 305 and 306 of the Uniform Building Code.

(e) The construction of the building was tested by a qualified testing laboratory in conformance with the

requirements of the Uniform Building Code.

(f) The construction of the building was observed by an architect or structural engineer licensed in the State of California.

(g) The building was reviewed, inspected, and granted a certificate of occupancy by the local building department.

(h) All ceilings, light fixtures, ducts, and registers within the area to be occupied for classroom purposes were constructed, or have been reconstructed, to meet the standards of Part 2 of Title 24 of the California Code of Regulations in effect for those systems.

(i) All equipment and nonstructural building elements are anchored adequately to resist anticipated seismic forces.

39238. The following definitions shall apply for the purposes of this article:

(a) "Board" means the board of education having jurisdiction in the school district which proposes to use the building pursuant to this article.

(b) "Local building department" means the department or agency of a city, county, or city and county charged with the responsibility for the enforcement of the local building code for building construction within its jurisdiction.

(c) "Uniform Building Code" means the 1988 or later edition of that code.

39239. The certificate of evaluation specified in subdivision (b) of Section 39237 shall be valid for a period of 10 years. In order to continue occupancy of a building pursuant to this article for a time exceeding 10 years since the date of the certificate of evaluation, the school district shall repeat the examination specified in subdivision (a) of Section 39237 and obtain a new certificate of evaluation.

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ENDNOTES

1. Office of Educational Research and Improvement, *Digest of Education Statistics 1991,* U.S. Department of Education, Table 123, p. 123. Some researchers have suggested that the drop in test scores is due in part to the larger pool of students taking the S.A.T.

2. Educational Testing Service, 1991.

3. *Dropout Rates in the United States: 1991,* National Center for Education Statistics, U.S. Department of Education, September 1992, p. 48.

4. *Are We Losing Our Competitive Edge? A Study of California's Business Environment,* The Senate Republican Caucus, State of California, March 1992, p. 166.

5. Rodolfo Abella, "Evaluation of the Satellite Learning Centers Program," Dade County Public Schools, Office of Educational Accountability, February, 1991, p. 13.

6. Interview with Dan Tosado, Executive Director, Division of Professionalization Technical Assistance and Support, Dade County Public Schools, September 8, 1992.

7. Interview with Mildred Smith, Lead Teacher, Miami International Airport, Satellite Learning Center, August 6, 1992.

8. Abella, "Evaluation of the Satellite Learning Centers Program", p. 5.

9. Ibid.

10. Ibid.

11. "Satellite Learning Centers," Dade County Public Schools, Division of Professionalization, p. 2.

12. Ibid.

13. The calculation for this figure is: (.17)(275 students)($1400.00) = $65,450.

14. Ibid.

15. Ibid.

16. Abella, "Evaluation of the Satellite Learning Centers Program," p. 7-9.

17. Ibid., p. 21.

18. Interview with Lew Alsobrook, Superintendent, Santa Rosa City Schools, August, 1992.

19. "Hidden Valley Satellite School At Hewlett-Packard's Fountaingrove Site," fact sheet by Hewlett-Packard Company, February 4, 1992.

20. Interview with Kris Campbell, Budget Technician, Santa Rosa City Schools, September 1, 1992.

21. "Seven Year Plan," budget spreadsheet, Hidden Valley Satellite School, Santa Rosa City Schools, August 24, 1992.

22. Alsobrook, interview.

23. "Satellite School Gains City Council Approval," *Update,* Hewlett-Packard Sonoma County, vol. 12, no., 12, March 23, 1992.

24. Alsobrook, interview.

25. Ibid.

26. *School Site Selection and Approval Guide,* California State Department of Education, 1989, p. 1.

27. "Concept of Worksite School Wins Santa Rosa District Approval," *Update,* Hewlett-Packard Sonoma County, vol.11, no.10, March 4, 1991.

28. California Department of Finance, Demographic Research Unit, June 1991.

29. Interview with Henry Heydt, Assistant Director, School Facilities Planning Division, Department of Education, September 22, 1992.

30. 1992 Capital Outlay and Infrastructure Report, State Department of Finance, February, 1992, as reported in *No Room for Johnny: A New Approach to the School Facilities Crisis,* The Little Hoover Commission, June, 1992, p. 6.

31. Interview with C. Douglas Brown, Deputy Administrator, Los Angeles Unified School District, September 29, 1992.

32. "K-12 Public School Enrollment, Total Graded Enrollment by County Ranked by Largest Percent Increase 1990 to 2000," California Department of Finance.

33. Interview with Bruce Hancock, Field Services Manager, Office of Local Assistance, August, 1992.

34. California Department of Education, Form J141, 1991.

35. No Room for Johnny: A New Approach to the School Facilities Crisis, Little Hoover Commission, June 1992, p. 55.

36. Interview with Dr. Judith LaVorgna, Director of Child Care Center at Mt. Sinai Medical Center, August 5, 1992.

37. Lance Izumi, "California's Education System: Where Does All the Money Go?," Golden State Center for Policy Studies, The Claremont Institute, February 19, 1992, p. 10.

38. National Association of Realtors, Washington, D.C., West Office Market, July, 1992.

39. Interview with Tommye Hutto, Manager of Communications, California Teachers' Association, August, 1992.

40. Heydt, interview.

41. Interview with Bill van Gundy, Local Assistance Officer, Office of Local Assistance, September 3, 1992.

42. Interview with Scott Stedman, partner, Stedman & Dyson Structural Engineers, San Diego, California, October 14, 1992.

43. California Department of Education, legal counsel office, reports by investigators Lynn Hartzler and Jim Calbert; correspondence by Michael Hersher, staff counsel.

44. *No Room For Johnny,* p. 75.

45. *No Room for Johnny* p. 74.

46. Correspondence with David Roffers, Associate Superintendent, Elementary/Secondary Education, Minneapolis Public Schools, August, 11, 1992.